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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of the Retirement of Diablo Canyon Power Plant, Implementation of the Joint Proposal, and Recovery of Associated Costs Through Proposed Ratemaking Mechanisms (U39E)	Application 16-08-006 (August 11, 2016)

MARIN CLEAN ENERGY NOTICE OF EX PARTE COMMUNICATION

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October 14, 2016

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company for Approval of the Retirement of Diablo Canyon Power Plant, Implementation of the Joint Proposal, and Recovery of Associated Costs Through Proposed Ratemaking Mechanisms (U39E)	Application 16-08-006 (August 11, 2016)

MARIN CLEAN ENERGY NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.4 of the Commission's Rules of Practice and Procedure, Marin Clean Energy ("MCE") hereby gives notice of the following *ex parte* communication. The communication was initiated by MCE and occurred on October 14, 2016 at approximately 10:55 AM at the California Public Utilities Commission offices. The communication was among Michael Callahan, MCE Regulatory Counsel, Jeremy Waen, MCE Senior Regulatory Analyst, Nathaniel Malcolm, MCE Regulatory Law Clerk, David Peck, Advisor to President Picker, and James Ralph, Legal Advisor to President Picker. The communication lasted approximately 1 hour and 10 minutes. A written hand-out was provided and is included in Attachment A of this notice.

The communication included a discussion of MCE's concerns with the Application submitted by the Pacific Gas and Electric ("PG&E") Company regarding its proposal to decommission the Diablo Canyon Nuclear Power Plant ("DCPP"). MCE's representatives voiced their support for the closure of DCPP, but advocated for narrowing the scope of the instant proceeding. MCE representatives advocated for addressing replacement procurement issues in the Integrated Resources Planning ("IRP") where a formal, optimized needs assessment could be done. Additionally, MCE representatives advocated for addressing PG&E's requested authorization for energy efficiency procurement be taken up in Energy Efficiency ("EE") proceeding and addressed in PG&E's Business Plan along with its other energy efficiency programs.

MCE representatives addressed the Clean Energy Charge and described the anti-competitive impacts the Clean Energy Charge would have on MCE and other Community Choice Aggregators ("CCAs"). MCE representatives also described existing non-bypassable charges ("NBCs") that are currently paid by CCA customers, specifically the Power Charge Indifference Adjustment ("PCIA") and the Cost Allocation Mechanism ("CAM"). Additionally, MCE's representatives called into question whether an Application is the appropriate method for adopting a new NBC that could have precedential impact and statewide application; MCE suggested these are issues more appropriately addressed in a rulemaking proceeding.

MCE representatives also described the current state of CCAs, their projected growth, and this growth's impact to reduce PG&E's procurement needs going forward. MCE also described the competitive relationship between CCAs and Investor Owned Utilities ("IOU") with respect to electricity generation services.

Finally, MCE representatives addressed other decommissioning costs associated with PG&E's Joint Proposal and Application and how those costs affect existing and future CCA customers

Respectfully submitted,

/s/ Martha Serianz

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October 14, 2016

Diablo Canyon Closure Plan Unjustly Impacts CCA Customers

On June 20, 2016, Pacific Gas and Electric (PG&E) announced its plan to close the Diablo Canyon Nuclear Power Plant when its current license expires in 2025. PG&E's closure plan requires Community Choice Aggregation (CCA) customers to help pay for resources needed to replace the nuclear power. Below are key facts to consider when evaluating the plan.

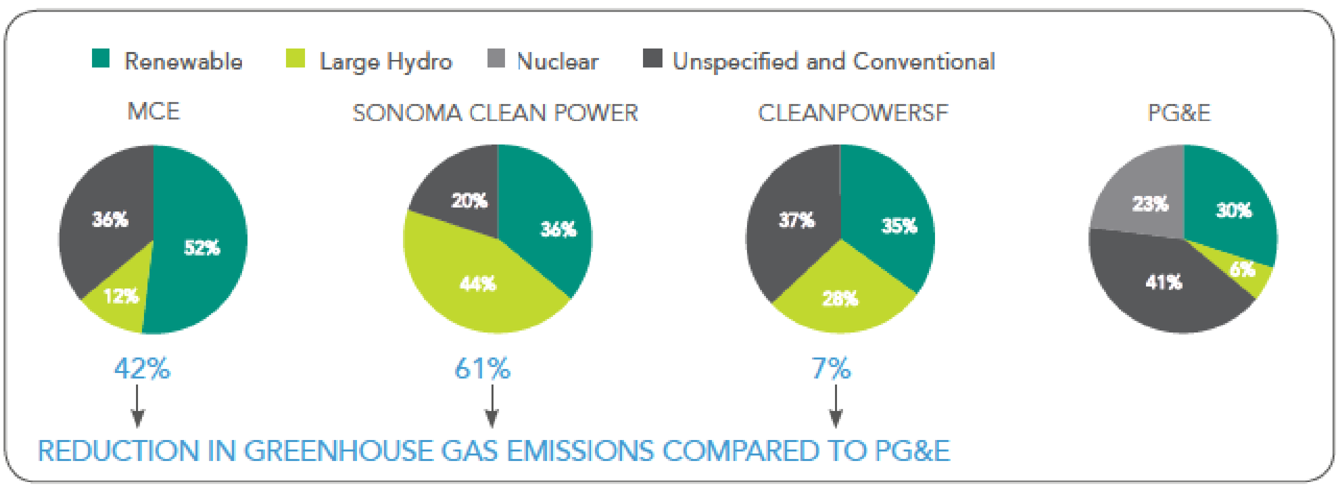
photo: Nuclear Regulatory Commission
flic.kr/p/aVWove

PG&E's plan to replace Diablo Canyon power and pass costs to CCA customers is contrary to existing law protecting CCA procurement autonomy and diminishes thriving CCA programs that already exceed PG&E's renewable and greenhouse gas-free targets.

- PG&E should not be allowed to pass costs onto CCA customers because they do not use Diablo Canyon nuclear power and will not use the replacement power.
- A mandatory needs assessment should be conducted before any replacement power purchases are approved by regulators.
- If replacement resources are needed for PG&E, interference with CCA procurement autonomy or CCAs' aggressive renewable energy goals should be prohibited.

DID YOU KNOW?

According to a forthcoming study by UCLA, all CCAs in PG&E's service territory emit fewer greenhouse gases than the utility.



SOURCE: UCLA LUSKIN CENTER FOR INNOVATION

CALIFORNIA'S CLEAN ENERGY REVOLUTION

2015 Energy Supply

- MCE: 52% renewable, 64% GHG–free
- PG&E: 30% renewable, 59% GHG–free

Energy Supply Goals

- MCE: 80% renewable, 95% GHG–free by 2025
- PG&E: 55% renewable by 2031

PG&E plans to charge CCA customers for services not provided.

PG&E intends to replace Diablo Canyon with 55% renewable energy by 2031 and pass those procurement costs onto all customers, including CCA customers. However, CCA customers do not buy any energy from PG&E. CCA customers are already currently required to pay PG&E for old resources, including nuclear power, that PG&E had contracted for before customers switched providers.

According to Public Utilities Code Section 366.2(a)(5), a CCA's board of locally elected officials has the sole responsibility for its procurement. In 2025 California's first operating CCA program, MCE, will supply 80% renewable, 95% greenhouse gas-free energy to its customers.

CCA customers are required to cover their own procurement costs and should not be subject to PG&E procurement costs.

The Diablo Canyon closure is inevitable, regardless of CCA popularity.

More than 650,000 customers buy their energy supply, which guarantee more renewables, from CCA providers instead of PG&E.

PG&E indicates one of the reasons for closing Diablo Canyon is reduced market power demands resulting from CCAs. However, PG&E's own analysis demonstrates that Diablo Canyon is expensive, aging, inflexible, not responsive to current grid needs, driving curtailment of renewables, and cannot comply with California's environmental and water protection regulations.

CCAs do not need to replace Diablo Canyon energy for grid reliability needs.

Costs for the closure of the San Onofre nuclear plant were initially passed onto all customers, including CCA customers, because of the need for grid reliability. However, studies from numerous California regulatory agencies indicate that Diablo Canyon could be removed from the electric system without harming reliability.

In addition, CCAs are required to purchase resources that are 115% of their own peak load to ensure grid reliability. Since the launch of CCAs in 2010, they have always complied with this requirement and demonstrated compliance through filings at the Public Utilities Commission.

MCE Clean Energy
My community. My choice.

For more information

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